

CORPORATE SOCIAL RESPONSIBILITY POLICY

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of Murudeshwar Ceramics Limited (“the Company”) has been constituted by the Board of Directors of the Company at their meeting held on Friday, August 10, 2018.

The composition of the said Committee comprises of three directors viz.,

Shri Satish Rama Shetty	- Chairman
Shri Naveen Rama Shetty	- Members
Dr. Shivabasayya Siddaramayya Hiremath	- Member

1. OBJECTIVE

This Policy has been formulated in compliance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affair on February 27, 2014.

2. CSR VISION

The company’s CSR philosophy is to create long-term stakeholder value by implementing a business strategy that considers every dimension of how a business operates in the ethical, social, environmental, cultural, and economic spheres. The Company’s vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

At Murudeshwar Ceramics Limited (MCL), CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company’s CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

3. SCOPE

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

4. DEFINITIONS:

CIN: L26914KA1983PLC005401

REGD. OFF. MURUDESHWAR BHAVAN, 604/B, GOKUL ROAD, HUBLI 580 030.

Phone: 9180-42897000; Email: cosec@naveentile.com, Website: www.naveentile.com

1. **Corporate Social Responsibility (CSR)** means and includes but is not limited to: Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').

2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;

(i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and

(ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

5. ROLE OF THE CSR COMMITTEE

a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.

b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.

c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.

e. Monitor the implementation of the CSR Policy from time to time.

f. Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD

a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company

b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.

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c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that –

If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.

Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,

e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

7. CSR ACTIVITIES FOR IMPLEMENTATION:

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

8. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to CSR Expenditure. CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

10. DISCLOSURE OF THE POLICY

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The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

12. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required.

13. QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

14. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

15. SECRETARY

The Company Secretary of the Company shall act as the Secretary of the Committee.

16. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be kept in minutes book and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

17. MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

Activities which may be included by the Company in its Corporate Social Responsibility Policies Activities relating to: —

- (i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation ⁴[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water ⁴[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) contribution to the prime minister’s national relief fund ⁸[or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information

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Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects;

(xi) slum area development;

Explanation. - For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.]

Reviewed and updated at the Board Meeting held on 12.02.2022